



NORTH OGDEN CITY

SETTLED 1851

Mayor

S. Neal Berube

Council

Ryan M. Barker

Blake D. Cevering

Charlotte Ekstrom

Cheryl Stoker

Phillip D. Swanson

June 24, 2020

Dear Audit Firm:

Attached is a request for proposals for audit services for North Ogden City for the year ending June 30, 2020 and the succeeding five years.

Your proposal must be submitted electronically to Annette Spendlove, North Ogden City Recorder, at aspnd@nogden.org, no later than **5:00 p.m. MDT on July 10, 2020** as indicated on page 1 of the Request for Proposals.

To be considered in the bidding process, the proposing independent auditing firm must meet the following minimum criteria:

1. The firm must meet the *Government Auditing Standards*' continuing professional education, independence, peer review, and licensing requirements.
2. The firm must have had experience in governmental auditing. The experience must have been on an entity-wide basis, and an opinion must have been issued.
3. The firm must be able to meet the reporting deadlines described in the Request for Proposals.

We look forward to reviewing your proposal.

Sincerely,

Evan Nelson
Finance Director
(801) 737-2201
enelson@nogden.org

REQUEST FOR PROPOSAL
Financial Audit and Accounting Services for
NORTH OGDEN CITY

PURPOSE OF REQUEST FOR PROPOSAL

The purpose of this request for proposal (RFP) is to enter into a contract with a qualified independent auditing firm (Contractor) to provide audit services.

BACKGROUND

North Ogden City (the Entity), currently maintains the following fund types: Governmental, Enterprise, and Internal Service. There is an additional component organization that is part of the reporting entity as defined by Governmental Accounting Standards Board (GASB) Statement 61; this is the North Ogden Redevelopment Agency. The Entity uses Caselle Clarity software for its accounting applications.

The Entity is required by State law to provide an annual audit of its financial statements by a Certified Public Accountant in accordance with generally accepted auditing standards.

This requirement includes: 1) a financial statement audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, 2) a State Compliance Audit, in accordance with the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, and 3) depending on levels of federal funding, a Single Audit in accordance with the Single Audit Act and OMB Circular A-133.

Prior year reports for the Entity can be found on the City's website at:
<https://www.northogdencity.com/finance/page/financial-statementsaudits>

SUBMITTING YOUR PROPOSAL

NOTICE: By submitting a proposal in response to this RFP, the offeror is acknowledging that the requirements, scope of work, and evaluation process outlined in the RFP are fair, equitable, not unduly restrictive, understood and agreed to. Any exceptions to the content of the RFP must be protested to the Entity prior to the closing date and time for submission of the proposal.

Proposals must be received by the submission deadline of July 10, 2020 no later than 5:00 p.m. MDT. Proposals received after the deadline will be late and ineligible for consideration.

The required method of submitting your proposal is electronically in PDF format to:
aspnd@nogden.org.

LENGTH OF CONTRACT

The contract resulting from this RFP will cover the annual audits for the fiscal year ending June 30, 2020 and the succeeding five fiscal years, subject to an annual performance evaluation, budget appropriations, and the needs of the Entity.

The Entity reserves the right to review the contract on a regular basis regarding performance and cost analysis and may negotiate price and service elements during the term of the contract.

DETAILED SCOPE OF WORK

It is anticipated that one firm will be selected to provide accounting services which will include drafting, typing, and printing of the financial statements in accordance with applicable standards.

It is anticipated that a separate firm will be selected to provide auditing services as outlined below. However, the entity reserves the option of selecting one firm to provide all services.

A. AUDIT STANDARDS

The auditor shall perform a financial audit, a state compliance audit, and depending on levels of federal funding, a single audit of the Entity for each fiscal year of the contract period in accordance with the following:

- Auditing standards generally accepted in the United States of America, as promulgated by the American Institute of Certified Public Accountants (AICPA);
- The *AICPA Audits of State and Local Governmental Units* audit and accounting guide;
- *Government Auditing Standards*, 2011 revision, published by the U.S. Government Accountability Office;
- For the state compliance audit – the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor;
- For the single audit – the Single Audit Act; OMB Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations* and related OMB A-133 Compliance Supplement (as applicable).

B. AUDIT REPORTING REQUIREMENTS

1. Financial Report – The auditor shall audit the financial statements and records of the Entity and shall issue an auditor's opinion on those financial statements. Such financial statements shall be prepared in conformity with accounting principles generally accepted in the United States of America.
2. Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters – The auditor shall issue a report on internal control over financial reporting and on compliance and other matters in accordance with *Government Auditing Standards*.
3. Reports Required for the OMB Circular A-133 Audit – If OMB Circular A-133 is applicable, the auditor shall prepare all necessary audit reports and schedules required by OMB Circular A-133.
4. Report Required for State Compliance Audit – The auditor shall prepare and include a statement expressing positive assurance of compliance with State fiscal laws and other financial issues related to the expenditure of funds received from federal, state, or local governments identified in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor (*This statement is in addition to the compliance opinion required as part of a single audit.*)

5. Management Letter – As appropriate, the auditor shall prepare a comprehensive management letter including the auditor's findings and recommendations relative to the internal control over financial reporting, compliance with laws and regulations, as applicable, and adherence to generally accepted accounting principles.

The auditor shall request written responses from Entity officials for each recommendation and shall include such responses in the reports. If the Entity declines the opportunity to respond, the auditor shall so state in their report.

5. Reporting Deadlines – The audit must be completed and reports must be submitted to the Entity before December 30th of each year.

PROPOSAL REQUIREMENTS

Interested offerors should include the following information in their proposal.

A. Profile of the Independent Auditor

Provide general background information which includes:

1. The organization and size of the offeror, whether it is local, regional, national or international in operations.
2. The location of the office from which the work is to be done and the number of professional staff, by staff level, employed at that office.
3. A positive statement that the following mandatory criteria are satisfied:
 - (a) An affirmation that the offeror is properly licensed for practice as a certified public accountant in the State of Utah.
 - (b) An affirmation that the offeror meets the independence requirements of AICPA Rule 101 and the *Government Auditing Standards*.
 - (c) An affirmation that the offeror meets the continuing professional education requirements contained in the *Government Auditing Standards*.
4. A copy of the offeror's most recent peer review report.

B. Offeror's Qualifications

1. Identify the audit partners, audit managers, field supervisors and other staff who will provide audit services, including staff from other than the local office. Résumés should be included which outline relevant experience and continuing professional education for the staff auditors up to the individual with final responsibility for the audit.
2. Describe the recent local office auditing experience similar to the type of audit requested.
3. If other auditors are to participate in the audit, those auditors should be required to provide similar information.

C. Offeror's Approach to the Audit

Submit a general audit work plan to accomplish the scope defined in these guidelines. The audit work plan should demonstrate the offeror's understanding of the audit requirements and the audit tests and procedures to be applied in completing the audit plan. The plan should detail the expected number of audit hours for the financial audit, single audit, and compliance audit separately on an annual basis for each fiscal year being audited. The plan should also identify the breakdown of total hours between staff, in-charges, and higher levels. The planned use of specialists, if any, should also be specified.

The Entity has not traditionally received sufficient federal funds to trigger a single audit, as such the proposer is requested to provide a separate estimate for hours and fees for single audit services should those services be required.

D. Time Requirements

Detail how the reporting deadline requirements of the audit will be met.

E. Fees

Please specify proposed fees separately, as follows:

I. Audit Fees – Supply the billing rates, estimated number of billable hours, other billable expenses and a comprehensive "not-to-exceed" fee for the audit, inclusive of travel, per diem and all other out-of-pocket expenses. The not-to-exceed fee information requested should be provided as a separate amount for each fiscal year being audited.

CONTRACTUAL ARRANGEMENTS

- A. Document Retention – Workpapers and reports for the audit must be retained for a period of five years after the completion of the audit and made available for inspection by the Entity or government auditors, including the Office of the Utah State Auditor, if requested by them.
- B. Compensation for Services – Progress payments may be made during the audit period based on percentage of work completed. Final payment will be made by the Entity upon receipt of the required reports.
- C. Availability of Staff – The Entity's staff will be available to prepare schedules, trial balances, and provide documentation to assist the auditor as their schedules permit during the course of the audit.
- D. E-Verify Compliance – The firm that is awarded the bid must certify that they are in compliance with Utah Code Ann. § 63G-12-302(3) (including amendments and substitutions to the law) relative to the verification of the work eligibility status of employees and, in particular, that Firm is registered and participates in a Status Verification system as required by law. Please see attached certification form.

EVALUATION OF PROPOSALS

The criteria listed below will be considered when making an evaluation of the proposals.

% OF SCORING WEIGHT	EVALUATION CRITERIA
Mandatory	Licensing, independence, CPE, peer review, and ability to meet audit deadlines.
20%	<u>Technical Experience of the Firm</u> – Considering governmental audit experience, as well as size and structure of the CPA firm.
20%	<u>Qualifications of Staff</u>
25%	<u>Responsiveness of the proposal</u> in clearly stating an understanding of the audit services to be performed: <ol style="list-style-type: none">(1) Appropriateness and adequacy of proposed procedures.(2) Reasonableness of time estimates and total audit hours.(3) Appropriateness of assigned staff levels.
35%	<u>Cost of the Audit</u>

Right to Reject – The Entity reserves the right to reject any and all proposals submitted and to request additional information from all offerors. Any contract awarded will be made to the offeror who, based on evaluation of all responses, is determined to be the best to perform the audit.

ADDITIONAL INFORMATION

The individual listed below may be contacted for information.

Evan Nelson, Finance Director
Phone: (801) 737-2201
Email: enelson@nogden.org

**CERTIFICATION OF COMPLIANCE
WITH E-VERIFY PROGRAM OR EQUIVALENT**

This is to certify that _____ (“Firm”) covenants, represents and warrants to North Ogden City (“City”) that Firm is and at all times during the performance of any contract with the City will be in full compliance with the requirements of Utah Code Ann. § 63G-12-302(3) (including amendments and substitutions to the law) relative to the verification of the work eligibility status of employees and, in particular, that Firm is registered and participates in a Status Verification system as required by law.

Dated this ____ day of _____, 2020.

Name of Firm _____

By: _____

Title: _____

Printed Name: _____